OFFICE OF THE SECRETARY OF DEFENSE (OSD)
MANAGEMENT CONTROL PROGRAM AND RELATED ACCOMPLISHMENTS

(Tab B-4)

OFFICE OF THE DIRECTOR OF ADMINISTRATION AND MANAGEMENT (ODA&M)

Description of the Issue

- The ODA&M took action to improve management controls within the ODA&M areas of responsibility, and improve the documentation of existing management controls.

Accomplishments

The Office of the Secretary of Defense (OSD) Chief Information Officer (CIO) was established on October 12, 2001 to manage the OSD Information Resources Management Program and improve management controls in the areas of information technology (IT) and information security. In its first year of operation, the OSD CIO improved contract management discipline on IT-related contracts, and re-competed all FY 2003 contracts to ensure that the best value was obtained for the government. The OSD CIO initiated action to produce a comprehensive Enterprise Architecture for OSD IT planning, and improve the OSD's information assurance posture.

The ODA&M reviewed its management control program, and took several significant steps to strengthen the program and improve accountability. Beginning with the FY 2002 Statement of Assurance, all Division Directors sign individual Statements of Assurance and provide written summaries of their management control activities to the Director. This was done informally in the past. The ODA&M provided Management Control Program training to key personnel in FY 2002. This training addressed the basis for the management control program, how to develop assessable units, and how to conduct management control evaluations.

OFFICE OF THE DIRECTOR OF FORCE TRANSFORMATION (OFT)

Description of the Issue

- The Office of the Director of Force Transformation, as a newly-created organization, established a management control program and completed its first evaluation of management controls.

Accomplishments

The Force Transformation Office (FTO) examined its operating processes and established three assessable units for management control reviews. The office designated a Management Control Officer, who established a "One Stop Shopping" reference system for management control

information. All references, evaluations, and procedures are in a central location, available to all office personnel.

The FTO Management Control Officer developed management control flowcharts for all critical processes. Because of the Departmental concern with the use of purchase cards, the office developed a pre-purchase review and authorization procedure for card purchases.

OFFICE OF THE DIRECTOR OF OPERATIONAL TEST AND EVALUATION (DOT&E)

Description of the Issue

- The DOT&E took action to improve management controls within their mission, contracting, security, and travel processing management programs.

Accomplishments

The Center for Countermeasures and the Threat Systems Program conducted reviews of their management controls and took action to assign responsibilities for management control processes and increase oversight of programs. The revised procedures require reviews and approval of projects prior to initiation, monthly financial status reports, and periodic program reviews.

The DOT&E conducted a review of all contracts, and improved the management of the contracting process. DOT&E leadership conducted a detailed review of the justification for and management of all contracts. This resulted in the elimination of a facilities management contract, and a savings of over $500K.

The DOT&E conducted a comprehensive review of security procedures. Process changes were made to entry control, package delivery, and mail handling procedures.

Authorizing Officials and Certifying Officials were given training on management control responsibilities associated with the Defense Travel System. All Authorizing and Certifying Official are appointed in writing, and their signature cards are on file at the Defense Finance and Accounting Service.

UNDER SECRETARY OF DEFENSE (PERSONNEL AND READINESS) (USD(P&R))

Description of the Issue

- The USD(P&R) implemented processes and procedures to ensure the availability, integrity, confidentiality, and non-repudiation of its information systems.

Accomplishments

The USD(P&R) established a full-time position for information technology (IT) security policies and procedures. The USD(P&R) is converting to classified and unclassified computer systems

with administrator-controlled configurations. This will improve the availability, reliability, and confidentiality of IT systems. The OSD CIO's guidance on Continuity of Operations planning has been implemented.